

STATEMENT OF PRINCIPLES

BETWEEN THE

COMMONWEALTH OF KENTUCKY

Environmental and Public Protection Cabinet

AND

STATE OF TENNESSEE

Department of Environment and Conservation

**Subject: Shared Watershed Improvement and
Protection**

THIS STATEMENT OF PRINCIPLES (SOP) is made and entered into this 15th day of April, 2005 by and between the Commonwealth of Kentucky, the Environmental and Public Protection Cabinet (EPPC), with an address of 500 Mero, Frankfort, KY, hereinafter known as "the Cabinet," and the State of Tennessee, Department of Environment and Conservation, with an address of 401 Church Street, 1st Floor, L&C Annex, Nashville, TN, hereinafter known as TDEC."

WITNESSETH:

WHEREAS, the Commonwealth of Kentucky and the State of Tennessee share a political boundary; and,

WHEREAS, Kentucky and Tennessee share watersheds that are included within both state's borders; and,

WHEREAS, the Cabinet and TDEC have the interest of protecting all waters within their jurisdiction and recognize that cooperative efforts between these sovereign states will promote the improvement of water quality along their shared border and enhance the protection of these waters; and,

WHEREAS, the Cabinet and TDEC recognize that restoring water quality and the avoidance of future pollution in interstate streams can be significantly enhanced through interstate cooperation; and,

WHEREAS, the Cabinet and TDEC seek to promote interstate cooperation to better protect and improve the quality of waters of both states, promote restoration and assessment of water quality in interstate rivers and streams and increase efficiency in and understanding of each state's environmental departments;

NOW, THEREFORE, in consideration of the foregoing, the Cabinet and the TDEC hereby agree as follows:

1. OBLIGATIONS OF THE CABINET

1.1 The Cabinet shall undertake the following obligations:

- cooperate with TDEC in the best interest of the shared watersheds along the shared political boundary to protect and improve the water quality of these watersheds;
- share data when available on the shared watersheds;
- seek joint funding;
- correspond and meet with TDEC as deemed necessary; and,
- extend efforts with TDEC to cooperate with other federal, state, local and non-government parties as interested in these shared watershed efforts.

1.2 The Cabinet is not committed to allocating a specific amount of funding for the purposes of this SOP. Rather, the Cabinet may allocate funding as a result of this SOP at the Cabinet's discretion.

1.3 For the purposes of this agreement the Cabinet shall focus specifically on projects in these shared watersheds that improve water quality and meet federal requirements in cooperation with TDEC. A list of phase I projects will be developed and agreed to by Cabinet and TDEC in 2005.

2. OBLIGATIONS OF TDEC

2.1 TDEC shall undertake the following obligations:

- cooperate with the Cabinet in the best interest of the shared watersheds along the shared political boundary to protect and improve the water quality of these watersheds;
- share data when available on the shared watersheds;
- seek joint funding;
- correspond and meet with the Cabinet as deemed necessary; and,
- extend efforts with the Cabinet to cooperate with other federal, state, local, and non-government parties as interested in these shared watershed efforts.

2.2 TDEC is not committed to allocating a specific amount of funding for the purposes of this SOP. Rather, TDEC may allocate funding as a result of this SOP at TDEC's discretion.

2.3 For the purposes of this agreement TDEC shall focus specifically on projects in these shared watersheds that improve water quality and meet federal requirements in cooperation with the Cabinet. A list of phase I projects will be developed and agreed to by Cabinet and TDEC in 2005.

3. MUTUALITY OF OBLIGATIONS

3.1 The parties to this SOP shall be solely responsible for any costs incurred in fulfilling their obligations under this SOP, and no party shall have any claim against the other party for reimbursement of such costs.

4. TERM OF AGREEMENT

4.1 This SOP shall be effective as of the date first written above and shall expire upon the final completion of the projects as identified and agreed to by both parties in 2005 unless extended in writing by the parties or terminated earlier in accordance with the terms hereof.

4.2 Both parties shall be in agreement to additions or modification of this SOP beyond the appended project list and should this SOP extend to other shared natural resources beyond watersheds.

5. ASSURANCES

5.1 Each party to this SOP shall comply with all applicable statutes of the federal government and of that party's state, including but not limited to statutes relating to nondiscrimination and ethics.

5.2 Each party represents and warrants, by the signatures of its duly appointed representatives, that it is legally entitled to enter into this SOP and will not be violating, directly or indirectly, any of its conflict of interest statutes by performance of the obligations imposed on them by this SOP. The parties further represent and warrant that they have no conflict of interest, in any manner or degree, with the performance of the duties imposed by this SOP. The parties further represent and warrant that no persons having any conflict of interest shall be employed to assist in performing the parties' obligations under this SOP.

6. CANCELLATION

6.1 Either party may cancel this SOP at any time for cause or may cancel without cause on thirty days' written notice.

7. MISCELLANEOUS PROVISIONS

7.1 The headings set forth in this SOP are for convenience of reference only, and the words contained therein shall in no way be intended to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this SOP.

7.2 This SOP sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing SOPs among them concerning the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.

7.3 All notices, requests, demands, waivers, and other communications given as provided in this SOP shall be in writing, sent by First Class Mail, deemed effective upon mailing, and addressed as follows:

If to the Cabinet:	Environmental and Public Protection Cabinet Secretary LaJuana S. Wilcher Office of the Secretary 500 Mero Street, 5 th Floor Frankfort, KY
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If to the TDEC:	Tennessee Department of Environment & Conservation Commissioner Betsy Child 401 Church Street, 1 st Floor, L&C Annex Nashville, TN 37243
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7.4 Either party to this SOP may change the address at which it is to receive notices, requests, demands, waivers, and other communications, on the condition that party first provides written notice of that change of address to the other party.

7.5 Nothing in this SOP shall be interpreted as guaranteeing the rights of any person or governmental agency other than the parties to this SOP.

7.6 This SOP may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. It shall not be necessary that any single counterpart hereof be executed by all parties hereto so long as at least one counterpart is executed by each party.

IN WITNESS WHEREOF, the Cabinet and TDEC have executed this SOP as of the date first above written.

AGREED TO BY:

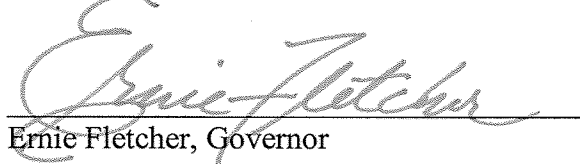
THE STATE OF TENNESSEE



Phil Bredesen, Governor

Date: 4/14/05

THE COMMONWEALTH OF KENTUCKY



Ernie Fletcher, Governor


Date: 4/15/05

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION


Betsy Child, Commissioner

Date: April 8, 2005

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET


LaJuana S. Wilcher, Secretary

Date: March 24, 2005


APPROVED AS TO FORM AND LEGALITY:

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION


E. Joseph Sanders, General Counsel TDEC

Date: April 8, 2005


ENVIRONMENTAL AND PUBLIC PROTECTION CABINET


David A. Smart, Executive Director
Office of Legal Services

Date: March 24, 2005

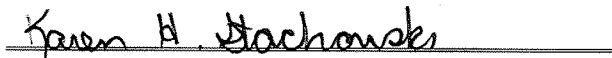
ENDORSEMENT RECOMMENDED BY:

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET


Lloyd Cress, Commissioner Department for Environmental Protection

Date: March 24, 2005

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION


Karen Stachowski, Deputy Commissioner TDEC

Date: April 8, 2005